

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 265**  
**HOUSE BILL 2166**

AN ACT

AMENDING TITLE 28, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 28-2007; AMENDING SECTIONS 28-5805 AND 41-1752, ARIZONA  
REVISED STATUTES; RELATING TO THE VEHICLE LICENSE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 28, chapter 7, article 1, Arizona Revised  
3 Statutes, is amended by adding section 28-2007, to read:

4 28-2007. Highway safety fee; rulemaking exemption

5 A. AT THE TIME OF APPLICATION FOR AND BEFORE REGISTRATION EACH YEAR  
6 OF A VEHICLE, THE REGISTERING OFFICER SHALL COLLECT A HIGHWAY SAFETY FEE  
7 IN AN AMOUNT TO BE DETERMINED BY THE DIRECTOR ANNUALLY FOR EACH FISCAL  
8 YEAR. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147,  
9 ALL MONIES COLLECTED PURSUANT TO THIS SECTION IN THE ARIZONA HIGHWAY  
10 PATROL FUND ESTABLISHED BY SECTION 41-1752. THE HIGHWAY SAFETY FEE SHALL  
11 FULLY FUND ONE HUNDRED TEN PERCENT OF THE DEPARTMENT OF PUBLIC SAFETY  
12 HIGHWAY PATROL BUDGET FOR EACH FISCAL YEAR LESS ANY PRIOR UNENCUMBERED  
13 BALANCE IN THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752  
14 THAT EXCEEDS TEN PERCENT OF THE PRIOR YEAR'S DEPOSITS OF HIGHWAY SAFETY  
15 FEE MONIES PURSUANT TO THIS SECTION.

16 B. THE DEPARTMENT IS EXEMPT FROM THE RULEMAKING REQUIREMENTS OF  
17 TITLE 41, CHAPTER 6 FOR THE PURPOSE OF DETERMINING THE HIGHWAY SAFETY FEE  
18 PURSUANT TO THIS SECTION.

19 Sec. 2. Section 28-5805, Arizona Revised Statutes, is amended to  
20 read:

21 28-5805. Motor vehicle powered by alternative fuel;  
22 classification; vehicle license tax; definitions

23 A. A separate classification of motor vehicles is established for  
24 purposes of taxation pursuant to article IX, section 11, Constitution of  
25 Arizona, that consists of motor vehicles that are powered by alternative  
26 fuel and for which the department issues an alternative fuel vehicle  
27 special plate or sticker pursuant to section 28-2416.

28 B. Notwithstanding section 28-5801, the registering officer shall  
29 collect at the time of application for and before registration of the  
30 motor vehicle that is classified under this section an annual license tax  
31 of four dollars for each one hundred dollars in value. ~~During the first~~  
32 ~~twelve months of the life of the motor vehicle as determined by its~~  
33 ~~initial registration,~~ THE MOTOR VEHICLE VALUE IS DETERMINED AS FOLLOWS:

34 1. FOR A MOTOR VEHICLE THAT IS PURCHASED BEFORE JANUARY 1, 2020,  
35 the value OF THE MOTOR VEHICLE is ~~one per cent~~ A PERCENTAGE SET BY THE  
36 DIRECTOR of the manufacturer's base retail price of the motor vehicle.  
37 ~~During each succeeding twelve month period~~ AFTER THE FIRST TWELVE MONTHS  
38 OF THE LIFE OF THE MOTOR VEHICLE AS DETERMINED BY ITS INITIAL  
39 REGISTRATION, the value of the motor vehicle is fifteen ~~per cent~~ PERCENT  
40 less FOR EACH TWELVE-MONTH PERIOD than the ~~value of the preceding twelve~~  
41 ~~month period~~ MANUFACTURER'S BASE RETAIL PRICE OF THE MOTOR VEHICLE.

42 2. FOR A MOTOR VEHICLE THAT IS TEN THOUSAND POUNDS OR LESS GROSS  
43 VEHICLE WEIGHT AND THAT IS PURCHASED ON OR AFTER JANUARY 1, 2020, DURING  
44 THE FIRST TWELVE MONTHS OF THE LIFE OF THE MOTOR VEHICLE AS DETERMINED BY  
45 ITS INITIAL REGISTRATION, THE VALUE OF THE MOTOR VEHICLE IS THIRTY PERCENT

1 OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE MOTOR VEHICLE. DURING EACH  
2 SUCCEEDING TWELVE-MONTH PERIOD, THE VALUE OF THE MOTOR VEHICLE IS FIFTEEN  
3 PERCENT LESS THAN THE VALUE FOR THE PRECEDING TWELVE-MONTH PERIOD.

4 C. The minimum amount of the license tax computed under this  
5 section is five dollars per year for each motor vehicle subject to the  
6 tax.

7 D. Except as specifically provided in this section, the vehicle  
8 license tax on a motor vehicle classified under this section is governed  
9 by this article.

10 E. THE VEHICLE LICENSE TAX ON A MOTOR VEHICLE THAT EXCEEDS TEN  
11 THOUSAND POUNDS GROSS VEHICLE WEIGHT, THAT IS POWERED BY ALTERNATIVE FUEL  
12 AND THAT IS PURCHASED ON OR AFTER JANUARY 1, 2020 IS COLLECTED PURSUANT TO  
13 SECTION 28-5801.

14 ~~E.~~ F. For purposes of this section:

15 1. "Alternative fuel" has the same meaning prescribed in section  
16 1-215.

17 2. "Motor vehicle" means a vehicle that meets the safety standards  
18 of the national highway traffic safety administration and includes  
19 neighborhood electric vehicles that meet the standards prescribed in 49  
20 Code of Federal Regulations section 571.500, except that, if a vehicle is  
21 designed to be operated at speeds of twenty miles per hour or less, the  
22 vehicle is not required to have a seventeen digit vehicle identification  
23 number.

24 Sec. 3. Section 41-1752, Arizona Revised Statutes, is amended to  
25 read:

26 41-1752. Arizona highway patrol fund

27 A. An Arizona highway patrol fund is established.

28 B. The Arizona highway patrol fund consists of:

29 1. Monies distributed to the fund from the Arizona highway user  
30 revenue fund by the legislature subject to section 28-6537.

31 2. Miscellaneous service fees.

32 3. Rewards.

33 4. Awards.

34 5. Insurance recoveries.

35 6. Receipts from the sale or disposal of any property held by the  
36 Arizona highway patrol or purchased with Arizona highway patrol monies.

37 7. Monies received from the public safety personnel retirement  
38 system pursuant to section 20-224.01.

39 8. Monies deposited pursuant to section 28-3513.

40 9. MONIES DEPOSITED PURSUANT TO SECTION 28-2007.

41 C. Subject to legislative appropriation, the patrol superintendent  
42 shall administer and spend monies in the Arizona highway patrol fund in  
43 conformity with the laws governing state financial operations.

44 D. Monies in the Arizona highway patrol fund:

1           1. Do not revert to the state general fund or Arizona highway user  
2 revenue fund.  
3           2. Are exempt from the provisions of section 35-190 relating to  
4 lapsing of appropriations.  
5           E. Subject to legislative appropriation, monies in the Arizona  
6 highway patrol fund shall be used to administer the provisions of law  
7 relating to the highway patrol and the Arizona highway patrol reserve and  
8 all matters pertaining to those laws, except that monies received pursuant  
9 to subsection B, paragraph 7 of this section shall be used for the  
10 department of public safety.  
11           Sec. 4. Effective date  
12           Section 28-5805, Arizona Revised Statutes, as amended by this act,  
13 is effective from and after December 31, 2019.  
14           Sec. 5. Legislative intent  
15           It is the intent of the legislature that, for the purposes of  
16 collecting the vehicle license tax pursuant to section 28-5805, Arizona  
17 Revised Statutes, as amended by this act, the director of the department  
18 of transportation set the value of a vehicle that is powered by  
19 alternative fuel at no more than ten percent of the manufacturer's base  
20 retail price of the vehicle.

APPROVED BY THE GOVERNOR APRIL 25, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2018.